

Chair: Jamie Goldstein  
Vice Chair: Martin Bernal  
Board Member: Chuck Comstock  
Board Member: Susan Mauriello



**SANTA CRUZ LIBRARIES FACILITIES FINANCING  
AUTHORITY (LFFA)**

**REGULAR BOARD MEETING**

**THURSDAY, FEBRUARY 4, 2016**

**9:00 A.M.**

**DOWNTOWN BRANCH MEETING ROOM  
224 CHURCH STREET, SANTA CRUZ, CA 95060**

**1. CALL TO ORDER / ROLL CALL**

Board Members Martin Bernal, Chuck Comstock, Susan Mauriello, and Chair Jamie Goldstein

Chair Jamie Goldstein remote connected from the Miramonte Hotel Lobby at 45000 Indian Wells Ln. Indian Wells, CA 92210

**2. ADDITIONAL MATERIALS**

*Additional information submitted after distribution of the agenda packet.*

**3. ADDITIONS AND DELETIONS TO AGENDA**

**4. ORAL COMMUNICATION**

*Any member of the audience may address the Board on any matter either on or off the agenda that is within the Board's jurisdiction. Note, however, that the Board is not able to undertake extended discussion or act on non-agendized items. Such items can be referred to staff for appropriate action which may include placement on a future agenda. If you intend to address a subject that is on the Agenda, please hold your comments regarding that item until it is before the Board, so that we may properly respond to all comments on that subject at the same time. In general 3 minutes will be permitted per speaker during Oral Communication; A MAXIMUM of 30 MINUTES is set aside for Oral Communications at this time.*

**5. EXECUTIVE DIRECTOR REPORT**

A. Report of Executive Director of recent events and Schedule of Important Dates (PG.3-5)

**6. CONSENT CALENDAR**

A. Approve Minutes of the January 14, 2016 Board Meeting (PG.6-8)

*All items listed in the "Consent Calendar" will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes on the action unless members of the public or the Board request specific items to be discussed for*

*separate review. Items pulled for separate discussion will be considered following General Business.*

## **7. GENERAL BUSINESS**

*Other Business items are intended to provide an opportunity for public discussion of each item listed. The following procedure is followed for each Business item: 1) Staff explanation; 2) Board questions; 3) Public comment; 4) Board deliberation; 5) Decision.*

- A. Presentation of voter survey results by Gene Bregman of Bregman and Associates.
- B. Receive and file a Community Facilities District Report, prepared by NBS. Conduct a Public Hearing to consider the formation of a Community Facilities District; and consider the adoption of resolutions: 1) of Formation of Community Facilities District; 2) Determining Necessity to Incur Bonded and Other Indebtedness; 3) Calling Special Election. All as required for a Special Tax Election on June 7, 2016. (PG.9-45)
- C. Preparation of information mailer/fact sheet by TBWB in the approximate amount of \$37,000. (PG.46-47)

## **8. ADJOURNMENT**

Adjourned to a Regular Meeting of the Libraries Facilities Financing Authority (LFFA) to be held on Thursday, March 3, 2016, at 6:00 p.m. at the Boulder Creek Branch Library located at 13390 W Park Ave, Boulder Creek.

The Santa Cruz City-County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment please call the Library Administration Office at (831)427-7706 at least five days in advance so that we can arrange for such special assistance, or email [library\\_admin@santacruzpl.org](mailto:library_admin@santacruzpl.org).

## STAFF REPORT



**SANTA CRUZ  
PUBLIC LIBRARIES**

Library Facilities  
Financing Authority

AGENDA: February 4, 2016  
DATE: January 26, 2016  
TO: Board  
FROM: Rich Hill, Interim Executive Director  
SUBJECT: Item 5.A.--Executive Director Report

### **RECOMMENDATION**

Receive and file this report.

### **DISCUSSION**

As your new Interim Executive Director, I initially spent time getting acquainted with the Library JPA and the LFFA. This included review previously approved documents including:

- JPA budget and audited financials.
- LFFA formation documents.
- LFFA contracts
- LFFA other documents and correspondence
- Past opinion polls

Further, I contacted and had various discussions with and exchanged correspondence with staff and consultants, including: Nicole Coburn, Kira Henifin, Helga Smith, Suzanne Harrell, Scott Ferguson, Tim Seufert, Sara Mares, Gene Bergman and others.

With regard to the proceedings to form the CFD, I prepared, reviewed and commented on all staff reports and attachments. With the initial assistance of Suzanne Harrell, I prepared the staff report for this agenda and prepared a list of contacts.

I discussed with the Libraries JPA staff the expectations for the Interim Executive Director position.

Attached with the assistance of Nicole Coburn you will find attached a revised schedule of important dates.

### **ATTACHMENT**

1. Revised List of Important Dates

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)  
SANTA CRUZ PUBLIC LIBRARIES (SCPL)**

**COMMUNITY FACILITIES DISTRICT FORMATION AND ELECTION CYCLE**

**June 7, 2016 Election: Schedule of Key Dates (version 12)**

1/28/2016 (Thur)	<b>LFFA</b>	Notice of Public Hearing published on or prior to this date (7 days prior to public hearing)
1/29/2016 (Fri)	<b>LFFA</b>	Community Facilities District Report delivered to Secretary for public review
2/04/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – Review results of final poll; Receive and file Community Facilities District Report; Public Hearing to consider Resolution of Formation, Resolution Determining Necessity to Incur Bonded and Other Indebtedness, and Resolution Calling Special Election
2/04/2016 (Thur)	<b>SCPL</b>	<b>Library JPA Meeting</b> – Consider informational mailer and distribution plan; Approve budget amendment for distribution costs
3/03/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
3/11/2016 (Fri)	<b>LFFA</b>	County deadline to submit Resolution Calling Special Election (which reflects exact form of ballot wording) for the June 7, 2016 Election
3/11/2016 (Fri)	<b>LFFA</b>	County deadline to submit tax rate statement for bond measures
3/12- 3/21/2016	<b>LFFA</b>	10-day public inspection for local measures on the ballot
3/17/2016 (Thur)	<b>LFFA</b>	County deadline to submit arguments and analyses (which include arguments for or against ballot measures, County Counsel's independent analysis, and County Auditor's fiscal analysis)
3/18- 3/28/2016	<b>LFFA</b>	10-day public inspection for arguments
3/24/2016 (Thur)	<b>LFFA</b>	County deadline to submit rebuttal arguments
3/25- 4/4/2016	<b>LFFA</b>	10-day public inspection for rebuttals
4/07/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
4/28- 5/28/2016	<b>LFFA</b>	County mails sample ballots and Secretary of State mails voter guide
5/5/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
6/2/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
6/07/2016 (Tue)	<b>LFFA</b>	Election Day
7/05/2016 (Tue)	<b>LFFA</b>	Certified statement of results available
7/18/2016 (Mon)	<b>LFFA</b>	Final Resolution Declaring Election Results due to Secretary
7/28/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – Consider Resolution Declaring Election Results and First Reading of CFD Ordinance; Adopt CFD Ordinance (1)
8/10/2016 (Wed)	<b>LFFA</b>	Notice of Special Tax Lien recorded and direction provided to County Auditor-Controller-Treasurer-Tax Collector
9/01/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined
10/06/2016 (Thur)	<b>LFFA</b>	<b>LFFA Meeting</b> – To be determined

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY (LFFA)  
SANTA CRUZ PUBLIC LIBRARIES (SCPL)**

**COMMUNITY FACILITIES DISTRICT FORMATION AND ELECTION CYCLE**

**June 7, 2016 Election: Schedule of Key Dates (version 12)**

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11/03/2016 (Thur)	LFFA	LFFA Meeting – To be determined
12/01/2016 (Thur)	LFFA	LFFA Meeting – To be determined

- (1) Bonds are currently scheduled to be issued in March 2018. A Resolution Authorizing Bond Issuance will need to be approved before March 2018.

June 7, 2016 Election

**SANTA CRUZ PUBLIC LIBRARIES  
A CITY-COUNTY SYSTEM**

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
(LFFA)**

**REGULAR MEETING MINUTES**

**THURSDAY, JANUARY 14, 2016  
9:00 A.M.**

**1. ROLL CALL**

**PRESENT:** Board Member Susan Mauriello; Vice Chair Martin Bernal; Chair Jamie Goldstein

**ABSENT:** Board Member Chuck Comstock

**STAFF:** Senior Administrative Analyst Nicole Coburn; Interim Library Director Janis O'Driscoll

**2. APPROVAL OF MEETING AGENDA OF JANUARY 14, 2016**

**RESULT:** THE BOARD APPROVED THE MEETING AGENDA [UNANIMOUS]  
**MOVER:** Susan Mauriello, Board Member  
**SECONDER:** Martin Bernal, Vice Chair  
**AYES:** Mauriello, Bernal, Goldstein  
**ABSENT:** Chuck Comstock, Board Member

**3. ORAL COMMUNICATIONS**

Public Comment

**4. EXECUTIVE DIRECTOR REPORT**

A. Update on CFD Formation

B. Schedule of Key Dates (Version 11)

RECOMMENDED ACTION: Receive reports

**RESULT:** RECEIVED REPORTS

**5. CONSENT CALENDAR**

A. Receive Minutes of December 17, 2015 meeting.

RECOMMENDED ACTION: Receive Minutes

**RESULT:** RECEIVED CONSENT ITEMS 5.A  
**MOVER:** Jamie Goldstein, Board Member  
**SECONDER:** Martin Bernal, Board Member  
**AYES:** Mauriello, Bernal, Goldstein  
**ABSENT:** Chuck Comstock, Board Member

## 6. STAFF REPORTS

- A. Elect the 2016 Board Chair and Vice Chair  
RECOMMENDED ACTION: Elect Chair and Vice Chair

**RESULT:** JAMIE GOLDSTEIN WAS ELECTED CHAIR AND MARTIN BERNAL VICE CHAIR

- B. Appointment of Interim Executive Director to conduct business of the Authority  
RECOMMENDED ACTION: Appoint Interim Executive Director

**RESULT:** THE BOARD APPROVED THE APPOINTMENT OF RICH HILL AS THE NEW INTERIM EXECUTIVE DIRECTOR AND REQUESTED THAT THE INTERIM LIBRARY DIRECTOR TAKE THE NECESSARY ADMINISTRATIVE ACTIONS IN SUPPORT OF THAT [UNANIMOUS]  
**MOVER:** Susan Mauriello, Board Member  
**SECONDER:** Martin Bernal, Vice Chair  
**AYES:** Mauriello, Bernal, Goldstein  
**ABSENT:** Chuck Comstock, Board Member

- C. Consider signers for ballot arguments.  
RECOMMENDED ACTION: Consider signers

**RESULT:** THE BOARD DESIGNATED JAMIE GOLDSTEIN, CHAIR OF THE JOINT POWERS BOARD, AS THE REPRESENTATIVE TO THE GROUP DETERMINING APPROPRIATE SIGNERS FOR THE BALLOT ARGUMENT. HE WILL RETURN TO THE BOARD AS NEEDED FOR ANY FURTHER INPUT [UNANIMOUS]  
**MOVER:** Susan Mauriello, Board Member  
**SECONDER:** Martin Bernal, Vice Chair  
**AYES:** Mauriello, Bernal, Goldstein  
**ABSENT:** Chuck Comstock, Board Member

## 7. WRITTEN COMMUNICATIONS

None

## 8. ADJOURNMENT

The Santa Cruz Libraries Facilities Financing Authority (LFFA) adjourned at 9:25 a.m. to its Regular Meeting on Thursday, February 4, 2016 at 9:00 a.m. in the Downtown Branch Library Meeting Room, located at 224 Church Street, Santa Cruz.

**LJPB Meeting**  
**January 14, 2016**

ATTEST: \_\_\_\_\_  
Helga Smith, Clerk of the Board

All documents referred to in these minutes are available in the Santa Cruz Public Libraries – Library Headquarters Office, 117 Union Street, Santa Cruz.





STAFF REPORT

AGENDA: February 4, 2016

DATE: January 28, 2016

TO: SC Libraries Facilities Financing Authority (LFFA) Board of Directors

FROM: Richard Hill, Interim Executive Director

SUBJECT: Item 7.B--Community Facilities District Report, prepared by NBS. Public Hearing to consider the formation of a Community Facilities District; and consider the adoption of resolutions: 1) of Formation of Community Facilities District; 2) Determining Necessity to Incur Bonded and Other Indebtedness; 3) Calling Special Election. All as required for a Special Tax Election on June 7, 2016.

**RECOMMENDATION**

It is recommended that the Board:

- First receive and direct staff to file the Community Facilities District Report as prepared by NBS.
- Then open a public hearing to consider forming the Community Facilities District and incur debt in an amount not to exceed \$67,000,000. After receiving comments close the public hearing.
- Then adopt the resolutions in the following order: 1) the Resolution of Formation of Community Facilities District; 2) the Resolution Determining the Necessity to Incur Bonded and Other Indebtedness; 3) the Resolution Calling Special.

By local rule all actions in this matter must be unanimously approved by all Directors to be successfully enacted.

**BACKGROUND**

The Santa Cruz Public Library JPA (SCPL) formed the LFFA for the creation of a CFD under the Mello-Roos Act (Act) to levy a special tax to fund the Library system public library improvements as identified in the Facilities Master Plan. The CFD's boundary matches the boundary of the SCPL, which includes the entire county except for the City of Watsonville.

A CFD cannot be formed unless the Board has adopted Policies and Practices for Land Secured Financing as required by the Act (Policies). The required Policies were adopted on December 17, 2015.

Further your Board on December 17, 2015 of the following resolutions:

- Resolution of Intention to Establish the Community Facilities District

This resolution approved the Rate and Method of Apportionment of Special Tax for the CFD (RMA), which contains the formula that would be used to levy a special tax to pay

for Library facilities if approved by voters, and generally described the library facilities authorized to be financed by the CFD. The maximum special tax established by the RMA is as follows:

- (1) Single Family residential: \$49.50 per unit.
- (2) Multi-family parcels: \$49.50 per unit.
- (3) Commercial/Recreational: This is a broad category that includes but is not limited to property uses such as commercial, industrial, recreation and retail. \$86.00 per parcel.
- (4) Agriculture. \$86.00 per parcel.
- (5) Multipurpose. If a property has mixed or multiple uses, the taxes for each use are added together for a total tax.

No tax will be levied on public or undeveloped property.

- Resolution of Intention to Incur Bonded Indebtedness

This resolution established a \$67,000,000 maximum limit on the amount of debt that can be incurred to finance facilities in the CFD.

## **DISCUSSION**

The resolutions set February 4, 2016 as the date for a public hearing on the formation proceedings. See attached Public Hearing Notice and the Santa Cruz Sentinel Order Confirmation. See Attachment 1.

The adopted Resolution of Intention directed the preparation of a Community Facilities District Report (Report) that provides: 1) a brief description of the public facilities by type which will be required to adequately meet the needs of the proposed community facilities district; 2) a boundary map; and 3) an estimate of the fair and reasonable cost of providing those public facilities and the incidental expenses to be incurred in connection herewith. The Report has been prepared. See Attachment 2. The Board must receive the Report and direct staff to file it.

The next step in the formation proceedings requires your Board to conduct a public hearing on the CFD formation and necessity of the CFD to issue debt.

After opening the public hearing, taking testimony, and closing the public hearing, your Board will consider the following resolutions, in the order as presented:

- Resolution of Formation

This resolution describes certain steps that are necessary and have been or will be taken for the formation of the CFD pursuant to the Act, including that the public hearings have been held, that no majority protest of registered voters precluding the formation of the CFD has occurred, that the boundary map of the CFD has been recorded, and that the Report has been prepared and accepted. It also declares the CFD to be formed, and confirms the

approval of the RMA. Finally, the resolution states that a special tax will be levied within the CFD and preliminarily establishes an appropriations limit for the CFD, both subject to a vote by the registered voters in the CFD.

- Resolution Determining Necessity

This resolution declares the necessity to incur bonded debt for the CFD and establishes the bonded indebtedness limit of \$67,000,000, subject to a vote by the registered voters in the CFD.

- Resolution Calling Election

This resolution establishes the date of June 7, 2016 for a special election (conducted with the scheduled Presidential Primary election on that date) by registered voters on three measures: the levy of special taxes within the CFD, and the ability of the CFD to issue bonds in an amount not to exceed \$67,000,000, and the appropriations limit for the CFD. These measures must be approved by 2/3rds of registered voters in the CFD casting votes at the special election.

Approval of these resolutions does not in any way commit the LFFA to any financial contribution or liability to repay the bond indebtedness. Should the special tax election be successful, the LFFA's cost to administer the CFD annually will be reimbursed through annual special taxes charged to property owners and will constitute a foreclosable lien on such property if unpaid.

Prepared and approved by:  
Richard Hill, Interim Executive Director

ATTACHMENTS:

1. Notice of Public Hearing and Order Confirmation
2. Community Facilities District Report
3. Resolution of Formation of Community Facilities District
4. Resolution Determining Necessity to Incur Bonded and Other Indebtedness
5. Resolution Calling Special Election

## ATTACHMENT 1

### Notice of Public Hearing and Order Confirmation

As required by law the Notice of Public Hearing was approved and published

**NOTICE OF PUBLIC HEARING**  
To Establish a Community Facilities District  
and to Incur Bonded Indebtedness

**SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY**  
**Community Facilities District No. 2016-1**

On December 17, 2015, the Board (the "Board") of the Santa Cruz Libraries Facilities Financing Authority (the "Authority"), County of Santa Cruz, State of California, adopted the following resolutions (the "Resolutions"):

(i) "Resolution of Intention To Establish A Community Facilities District" (the "Resolution of Intention (Formation)") to establish Community Facilities District No. 2016-1 (the "CFD").

(ii) "Resolution of Intention To Incur Bonded and Other Indebtedness" ("Resolution of Intention (Debt)").

Under the Mello-Roos Community Facilities Act of 1982 (the "Act") and the Resolutions, the Board gives notice as follows:

1. The Resolutions, along with the attached exhibits, as adopted by the Board, are on file with the Secretary of the Board and reference is made thereto for the particular provisions thereof.

2. The text of the Resolution of Intention (Formation) is summarized as follows:

a. Under the Act, the Board is undertaking proceedings for the establishment of the CFD, the boundaries of which are shown on a map on file with the Authority.

b. The purpose of the CFD is to provide for the financing of the public library facilities (the "Facilities") as more fully described in the Resolution of Intention (Formation) and Exhibit A thereto.

c. The method of financing the Facilities is through the imposition and levy of a special tax (the "Special Tax") to be apportioned on the properties in the CFD under the rate and method of apportionment described in the Resolution of Intention (Formation) and Exhibit B thereto.

d. The Resolution of Intention (Formation) directed the preparation of a CFD Report that shows the Facilities and the estimated costs of the Facilities. The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Secretary of the Authority.

3. The text of the Resolution of Intention (Debt) is summarized as follows:

a. The Board estimates the amount required to finance the costs of the Facilities to be not more than \$67,000,000 and, in order to finance such costs, it is

necessary to incur bonded indebtedness and other debt (as defined in the Act) in the amount of not more than \$67,000,000.

b. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Act.

c. The Board intends to authorize the issuance and sale of bonds or other forms of debt provided by the Act payable from the Special Tax (collectively, the "Bonds") in the aggregate principal amount of not more than \$67,000,000 (the "Indebtedness Limit") in such series and bearing interest payable semi-annually or in such other manner as the Board shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of the Bonds, and maturing not to exceed 30 years from the date of the issuance of each respective series of bonds and other debt.

4. The Board will hold a public hearing on the establishment of the CFD, the Facilities, the Special Tax and the necessity of incurring the above amount of bonded indebtedness and other debt for the CFD. The public hearing will be held on February 4, 2016, at 9:00 a.m. or as soon as possible thereafter, in the Meeting Room at the Downtown Branch of the Santa Cruz Public Libraries, 224 Church Street, Santa Cruz, California.

5. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within the CFD, for or against the establishment of the CFD, the Special Tax, the extent of the CFD, the furnishing of the specified Facilities, and the proposed issuance of Bonds, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Secretary of the Board on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in the CFD, or the owners of one-half or more of the area of land in the territory proposed to be included in the CFD and not exempt from the Special Tax, file written protests against the establishment of the CFD, and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board shall take no further action to create the CFD or levy the Special Tax for a period of one year from the date of decision of the Board, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities within the CFD, or against levying a specified part of the Special Tax, those types of Facilities or the specified part of the Special Tax will be eliminated from the proceedings to form the CFD.

6. If there is no majority protest against the establishment of the CFD, the Board may submit the levy of the Special Tax and the incurring of the Bonds for voter approval at a special election. The Special Tax requires the approval of two-thirds of the votes cast at a special election by the registered voters within the CFD.

Dated as of January 15, 2016

Board,  
Santa Cruz Libraries Facilities Financing Authority

# Advertising Order Confirmation

# Santa Cruz Sentinel

Ad Order Number  
0005658389

Sales Representative  
Rene Ridgell

Order Taker  
Rene Ridgell

Order Source  
Select Source

Customer  
SANTA CRUZ LIBRARY

Customer Account  
3756947

Customer Address  
117 UNION STREET  
SANTA CRUZ, CA 95060

Customer Phone  
831-427-7706

Payer Customer  
SANTA CRUZ LIBRARY

Payer Account  
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Payer Address  
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831-427-7706

PO Number

Ordered By

Customer Fax

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Ad Order Notes

Current Queue  
Ready

Tear Sheets  
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Affidavits  
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Materials

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# Advertising Order Confirmation

01/21/16 6:12:08PM  
Page 2 of 4

# Santa Cruz Sentinel

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0005658389-01

Ad Size  
1 X 126 LI

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Production Notes

External Ad Number

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# Advertising Order Confirmation

01/21/16 6:12:08PM  
Page 3 of 4

# Santa Cruz Sentinel

Library Facilities  
Financing Authority  
Board  
**NOTICE OF PUBLIC  
HEARING**

A public hearing will be held on Thursday, February 4, 2016 at 9:00 a.m. in the Downtown Branch Meeting Room, 224 Church Street, Santa Cruz, California to consider the following:

**NOTICE OF PUBLIC  
HEARING  
SANTA CRUZ  
LIBRARIES FACILITIES  
FINANCING  
AUTHORITY (LFFA)  
TO ESTABLISH A  
COMMUNITY  
FACILITIES DISTRICT  
AND TO INCUR BONDED  
INDEBTEDNESS**

The Board will hold a public hearing on the establishment of the CFD, the Facility Tax, the Special Tax and the necessity of incurring an estimated amount of \$67,000,000 of bonded indebtedness and other debt for the CFD.

The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Act.

At the hearing, the testimony of all interested persons or taxpayers, including all persons forming property against the establishment of the CFD, the Special Tax, the extent of the CFD, the furnishing of the specified Facilities and the proposed issuance of Bonds, will be heard.

If any member of the public would like a full version of this notice or to receive more information about the LFFA, please contact the Library Administrative offices.

The Santa Cruz County Library System does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. Upon request, the agenda can

# Advertising Order Confirmation

# Santa Cruz Sentinel

01/21/16 6:12:08PM  
Page 4 of 4

WE PROVIDE THE BEST SERVICE possible to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for Spanish, English, or other special equipment, please call the Library Administration Office at 427-2708 at least five days in advance so that we can arrange for such special assistance, or email library\_admin@santacruzpl.org 1/25/2016 5658318

Product	Requested Placement	Requested Position	Run Dates	# Inserts
Santa Cruz Sentinel	Legals CLS	General Legal - 1076~	01/25/16	1

## Order Charges:

Net Amount	190.26	Tax Amount	0.00	Total Amount	190.26
Payment Amount	0.00	Amount Due	\$190.26		

Please note: If you pay by bank card, your card statement will show "CAL NEWSPAPER ADV" or "CALIFORNIA NEWSPAPER ADVERTISING SERVICES", depending on the type of card used.

## ATTACHMENT 2

### Community Facilities District Report

This report:

- Describes the facilities to be improved or constructed and funded by the incurred debt
- Provides a Boundary Map of the Community Facilities District
- Provides a cost estimate for the facilities described in the Resolution of Formation

**Santa Cruz Libraries Facilities Financing Authority  
Community Facilities District No. 2016-1**

**COMMUNITY FACILITIES DISTRICT REPORT**

**CONTENTS**

Community Facilities District Report

Exhibit A - Description of the Facilities

Exhibit B – Proposed Boundary Map of the Community Facilities District

Exhibit C - Cost Estimate

**Santa Cruz Libraries Facilities Financing Authority  
Community Facilities District No. 2016-1**

**Community Facilities District Report**

**INTRODUCTION**

On December 17, 2015, the Santa Cruz Libraries Facilities Financing Authority Board of Directors (the "Board") adopted a Resolution of Intention to Establish a Community Facilities District (the "Resolution of Intention"), stating its intention to form the Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1 (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982 Sections 53311 et. seq., California Government Code (the "Act") to finance certain facilities (the "Facilities") by levying special taxes (the "Special Taxes") in the area of the CFD.

In the Resolution of Intention, the Board ordered the preparation of a written report (the "Report"), for the CFD containing the following:

1. A description of the Facilities by type which will be required to adequately meet the needs of the CFD; and
2. An estimate of the fair and reasonable cost of the Facilities and incidental expenses included therewith.

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Board.

**NOW, THEREFORE**, the undersigned, for does hereby submit the following data:

**A. DESCRIPTION OF FACILITIES.** A general description of the proposed Facilities is as shown in Exhibit "A" attached hereto and hereby made a part hereof.

**B. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the CFD are those properties and parcels in which special taxes may be levied to pay for the costs and expenses of the Facilities and incidental expenses. The proposed boundaries of the CFD are described on the map of the CFD on file with the Secretary to the Board of Directors, which reference is hereby made, and in Exhibit "B" attached hereto.

**C. COST ESTIMATE.** The cost estimate for the Facilities for the CFD is set forth in Exhibit "C" attached hereto and hereby made a part hereof.

Dated as of January 28, 2016

For and on behalf of

By: \_\_\_\_\_

## EXHIBIT A

### Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1

#### DESCRIPTION OF FACILITIES

The types of Facilities proposed to be financed or funded in whole or in part by the Community Facilities District No. 2016-1 (the "CFD") of the Santa Cruz Libraries Facilities Financing Authority (the "Authority") under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") are as follows:

The Facilities means library facilities in the County of Santa Cruz, including but not limited to Aptos, Boulder Creek, Branciforte, Capitola, Downtown Santa Cruz, Felton, Garfield Park, La Selva Beach, Live Oak and Scotts Valley, but excluding library facilities in the City of Watsonville. The Facilities shall include any of the following: new construction, building renovations and service model upgrades needed to provide service desks, an area for displaying materials, separate areas for teens and children, flexible spaces and/or meeting rooms and study rooms, places to display art, new flooring, paint, shelving, furniture and technology, power/data to support library technology, and other upgrades.

The Facilities shall also include, without limitation, the attributable costs of engineering, design, planning, materials testing, coordination, construction staking, and construction, together with the expenses related to issuance and sale of any "debt", as defined in Section 53317(d) of the Act, including underwriters' discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, financial advisor, bond and official statement printing, administrative expenses of the Authority, the CFD and bond trustee or fiscal agent related to the CFD, and any such debt and all other incidental expenses. The Facilities shall be constructed or modified, upgraded or otherwise renovated, whether or not acquired in their completed states, pursuant to plans and specifications approved by the Parties to the Authority's Joint Exercise of Powers Agreement.

The Facilities listed in this Exhibit A are representative of the types of improvements to be furnished by the CFD. Detailed scope and limits of specific projects will be determined as appropriate by the Parties. Addition, deletion or modification of descriptions of Facilities may be made consistent with the requirements of the Authority, the CFD and the Act.

**EXHIBIT B**

**Santa Cruz Libraries Facilities Financing Authority  
Community Facilities District No. 2016-1**

**BOUNDARY MAP**

The following page shows a reduced copy of the Boundary Map of the CFD. Reference is hereby made to the full size map on file in the office of the Secretary of the Authority for a description of the boundaries of the CFD.

**MAP OF PROPOSED BOUNDARIES OF  
SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
COMMUNITY FACILITIES DISTRICT NO. 2016-1  
SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
COUNTY OF SANTA CRUZ  
STATE OF CALIFORNIA**

Sheet 1 of 1

FILED IN THE OFFICE OF THE BOARD SECRETARY OF THE SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_.

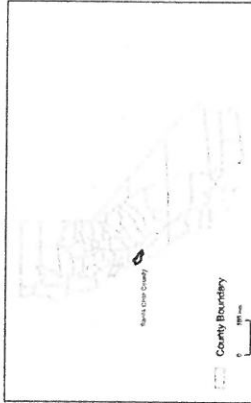
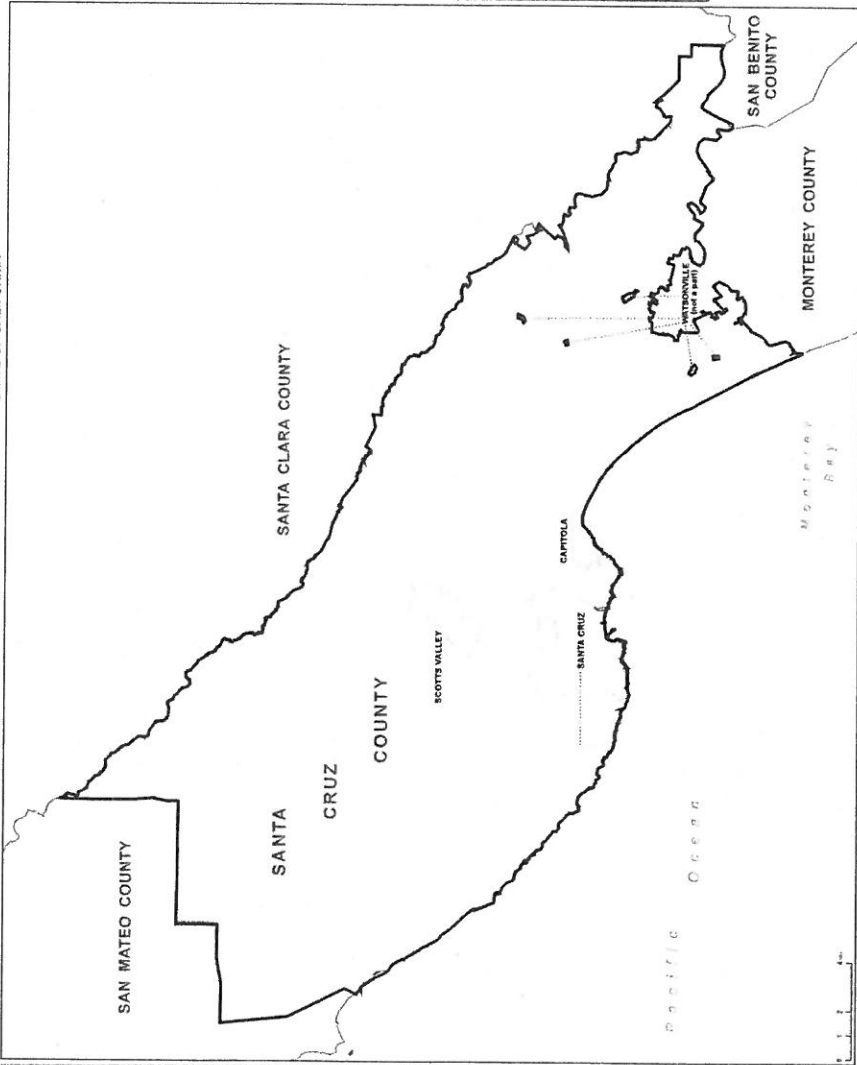
BOARD SECRETARY  
SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
SANTA CRUZ COUNTY, CALIFORNIA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING THE PROPOSED BOUNDARIES OF SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-1, SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY, IS A TRUE AND CORRECT COPY OF THE MAP AS APPROVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

BOARD SECRETARY  
SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
SANTA CRUZ COUNTY, CALIFORNIA

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M. IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA.

COUNTY RECORDER  
COUNTY OF SANTA CRUZ, CALIFORNIA



**CFD District Boundary**  
District Parcels

Data Source:  
Santa Cruz County GIS  
Planning  
AND GIS Department  
File: CFD216-1  
Geographic Coordinate System  
GCS: North American 1983





## EXHIBIT C

### Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1

#### COST ESTIMATE

The Facilities proposed to be funded directly and/or financed in whole or in part by the CFD No. 2016-1 of the Authority under the Act, are as follows:

The Facilities shall be constructed or modified, upgraded or otherwise renovated, whether or not acquired in their completed states, pursuant to plans and specifications approved by the Parties to the Authority's Joint Exercise of Powers Agreement in an amount not less than \$62 million.

The Facilities listed are representative of the types of improvements to be furnished by the CFD No. 2016-1 and the cost for such facilities shall be not less than \$62 million for library facilities plus any costs to issue bonds, administer bonds issued and administer the special tax. Detailed scope and limits of specific projects will be determined as appropriate by the Parties. Addition, deletion or modification of descriptions of Facilities may be made consistent with the requirements of the Authority, the CFD No. 2016-1 and the Act.

## ATTACHMENT 3

### Resolution of Formation of Community Facilities District

Required by law for the formation of a Community Facilities District. It sets forth or asserts various legal protocols including:

- Name of the CFD
- Boundaries of the CFD (for convenient map see the Community Facilities Report)
- Description of Facilities
- Discusses certain matters relating to a Special Tax
- Identifies the Rate and Method of a proposed Special Tax

RESOLUTION NO. \_\_\_\_

RESOLUTION OF FORMATION OF COMMUNITY FACILITIES DISTRICT

SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
Community Facilities District No. 2016-1

**WHEREAS**, on December 17, 2015, this Board (the "Board") of the Santa Cruz Libraries Facilities Financing Authority (the "Authority") adopted a resolution entitled "Resolution of Intention to Establish a Community Facilities District" (the "Resolution of Intention"), stating its intention to form the "Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1" (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

**WHEREAS**, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and stating the facilities to be provided (as set forth in the list attached hereto as Exhibit A), and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on bonds proposed to be issued with respect to the CFD, is on file with the Secretary of the Authority and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

**WHEREAS**, on this date, this Board held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD;

**WHEREAS**, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be provided therein, and the levy of said special tax were heard and a full and fair hearing was held;

**WHEREAS**, at the hearing evidence was presented to this Board on said matters before it, including a report caused to be prepared by the Executive Director (the "Report") as to the facilities to be provided through the CFD and the costs thereof, a copy of which is on file with the Secretary of the Authority, and this Board at the conclusion of said hearing is fully advised in the premises; and

**WHEREAS**, written protests with respect to the formation of the CFD, the furnishing of specified types of facilities and the rate and method of apportionment of the special taxes have not been filed with the Secretary of the Authority by 50% or more of the registered voters residing within the territory of the CFD or property owners of one-half or more of the area of land within the CFD and not exempt from the proposed special tax.

**NOW, THEREFORE, IT IS ORDERED**, by the Board of the Santa Cruz Libraries Facilities Financing Authority, as follows:

1. **Recitals Correct.** The foregoing recitals are true and correct.
2. **No Majority Protest.** The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

**3. Prior Proceedings Valid.** All prior proceedings taken by this Board in connection with the establishment of the CFD and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.

**4. Name of CFD.** The community facilities district designated the "Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1" is hereby established pursuant to the Act.

**5. Boundaries of CFD.** The boundaries of the CFD, as set forth in the map of the CFD heretofore recorded in the Santa Cruz County Recorder's Office on January 12, 2016, in Volume 17 of Maps of Assessment and Community Facilities Districts at Page 24, as Instrument No. 20160001073, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD.

**6. Description of Facilities.** The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities in Exhibit A hereto and by this reference incorporated herein (the "Facilities").

**7. Special Tax.**

a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities, and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this Board.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, with certain minor revisions and clarifications from the version attached to the Resolution of Intention, are shown in Exhibit B attached hereto and hereby incorporated herein (the "Rate and Method").

In the case of the Special Tax when it is levied on any parcel used for private residential purposes to pay for the Facilities, the Special Tax shall not be levied in the CFD after the final tax year specified in the Rate and Method, except that a Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Special Tax levied against any parcel in the CFD to pay for the Facilities and used for private residential purposes be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the CFD by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults.

**8. Responsible Official.** The Interim Executive Director of the Authority, 117 Union Street, Santa Cruz CA 95060, telephone: 831-427-7700, is the officer of the Authority who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.

**9. Tax Lien.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the Authority ceases.

**10. Appropriations Limit.** In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$67,000,000, and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

**11. Election.** Under the Act, the proposition of the levy of the special tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election. The time, place and conditions of the election shall be as specified by a separate resolution of this Board.

**12. Effective Date.** This resolution shall be effective upon its adoption by the Board.

\*\*\*\*\*

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAINING:

the foregoing resolution is hereby adopted on February 4, 2016.

\_\_\_\_\_  
Board Chair

ATTEST:

\_\_\_\_\_  
Secretary

## EXHIBIT A

### **SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY Community Facilities District No. 2016-1**

#### **DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD**

The types of Facilities proposed to be financed or funded in whole or in part by the Community Facilities District No. 2016-1 (the "CFD") of the Santa Cruz Libraries Facilities Financing Authority (the "Authority") of the under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") are as follows:

The Facilities means library facilities in the County of Santa Cruz, including but not limited to Aptos, Boulder Creek, Branciforte, Capitola, Downtown Santa Cruz, Felton, Garfield Park, La Selva Beach, Live Oak and Scotts Valley, but excluding library facilities in the City of Watsonville. The Facilities shall include any of the following: new construction, building renovations and service model upgrades needed to provide service desks, an area for displaying materials, separate areas for teens and children, flexible spaces and/or meeting rooms and study rooms, places to display art, new flooring, paint, shelving, furniture and technology, power/data to support library technology, and other upgrades.

The Facilities shall also include, without limitation, the attributable costs of engineering, design, planning, materials testing, coordination, construction staking, and construction, together with the expenses related to issuance and sale of any "debt", as defined in Section 53317(d) of the Act, including underwriters' discount, appraisals, market studies, reserve fund, capitalized interest, bond counsel, special tax consultant, financial advisor, bond and official statement printing, administrative expenses of the Authority, the CFD and bond trustee or fiscal agent related to the CFD, and any such debt and all other incidental expenses. The Facilities shall be constructed or modified, upgraded or otherwise renovated, whether or not acquired in their completed states, pursuant to plans and specifications approved by the Parties to the Authority's Joint Exercise of Powers Agreement.

The Facilities listed in this Exhibit A are representative of the types of improvements to be furnished by the CFD. Detailed scope and limits of specific projects will be determined as appropriate by the Parties. Addition, deletion or modification of descriptions of Facilities may be made consistent with the requirements of the Authority, the CFD and the Act.

## EXHIBIT B

### Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1

#### RATE AND METHOD OF APPORTIONMENT FOR SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY COMMUNITY FACILITIES DISTRICT NO. 2016-1

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property within the Santa Cruz Libraries Facilities Financing Authority's Community Facilities District No. 2016-1 ("CFD No. 2016-1") and collected each Fiscal Year commencing in Fiscal Year 2016/17, in an amount determined by the Board of Directors of the Santa Cruz Libraries Facilities Financing Authority or its designee, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 2016-1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State.

**"Administrative Expenses"** means the actual or reasonably estimated costs directly related to the administration of CFD No. 2016-1; including, without limitation: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Authority or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the Authority, CFD No. 2016-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the Authority, CFD No. 2016-1 or any designee thereof of complying with disclosure requirements under applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the Authority, CFD No. 2016-1 or any designee thereof related to any appeal of the Special Tax; the costs associated with the release of funds from any escrow account; and the Authority's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the Authority or CFD No. 2016-1 for any other administrative purposes of CFD No. 2016-1, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**"Agricultural Property"** means all Assessor's Parcels of Developed Property used for farming or agriculture. Typical County Use Codes include: 410, 411, 412, 420, 421, 422, 430, 431, 432, 450, 451, 452, 470, 480, and 490.

**"Assessor's Data"** means Acreage, Use Code, Building Square Footage, or other information regarding Assessor's Parcels contained in the records of the County Assessor.

**"Assessor's Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

**"Assessor's Parcel Map"** means an official map of the County Assessor of the County designating parcels by Assessor's Parcel number.

**"Authority"** means the Santa Cruz Libraries Facilities Financing Authority.

**"Board"** means the Board of Directors of the Authority, acting as the legislative body of CFD No. 2016-1.

**"CFD Administrator"** means an official of the Authority, or designee thereof, responsible for determining the Special Tax Requirement, and providing for the levy and collection of the Special Taxes.

**"CFD No. 2016-1"** means Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1.

**"CFD No. 2016-1 Bonds"** means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the Authority for CFD No. 2016-1 under the Act.

**"Commercial Property"** means all Assessor's Parcels of Developed Property used for hotels, stores, shopping centers, offices, restaurants, banks, nurseries, manufacturing, warehousing, food/mineral processing and industry. Typical County Use Codes include: 070, 071, 072, 074, 080, 083, 085, 116, 120, 121, 122, 123, 131, 140, 150, 151, 152, 153, 160, 161, 170, 171, 172, 173, 180, 181, 182, 183, 184, 185, 190, 191, 192, 200, 201, 202, 210, 211, 220, 221, 222, 223, 230, 231, 232, 250, 251, 260, 261, 262, 310, 320, 321, 322, 323, 330, 331, 340, 341, 342, 343, 344, 345, 350, 351, 352, 353, 354, 360, and 361.

**"County"** means the County of Santa Cruz.

**"Developed Property"** means for each Fiscal Year, all Taxable Property, exclusive of Taxable Public Property, for which the County has assigned a Use Code indicating residential, commercial, agricultural, or recreational use which are not vacant. Agricultural property used for farming is considered Developed Property even if there is no structure on the property.

**"Fiscal Year"** means the period starting July 1 and ending on the following June 30.

**"Homeowner's Exemption"** means the \$7,000 assessed value exemption granted for Assessor's Parcels owned and occupied by an owner as their principal residence.

**"Indenture"** means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which CFD No. 2016-1 Bonds are issued, as modified, amended and/or supplemented from time to time.

**"Maximum Special Tax"** means the Maximum Special Tax determined in accordance with Section C below, that can be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

**"Multi Family Residential Property"** means all Assessor's Parcels of Developed Property with one or more residential structures intended for more than one dwelling unit. Multi Family Residential also includes mobiles homes, condos and townhomes. Typical County Use Codes include: 021, 025, 027, 030, 032, 033, 034, 041, 042, 043, 044, 045, 046, 100, 101, 103, and 104.

**"Outstanding Bonds"** means all CFD No. 2016-1 Bonds which are outstanding under an Indenture.

**"Proportionately"** means, for Developed Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is equal for all Assessor's Parcels of Developed Property respectively. The term "Proportionately" may similarly be applied to other categories of Taxable Property as listed in Section C below.

**"Public Property"** means property within the boundaries of CFD No. 2016-1 owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to the federal government, the State, the County, the Authority, or any local government or



other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be classified as Taxable Property, taxed, and classified according to its use.

**"Recreational Property"** means all Assessor's Parcels of Developed Property used for amusements, sports activities, clubs, camps and conference facilities. Typical County Use Codes include: 600, 601, 602, 603, 610, 611, 612, 613, 614, 615, 620, 621, 622, 631, and 633.

**"Single Family Residential Property"** means all Assessor's Parcels of Developed Property with a residential structure intended for a single dwelling unit. Typical County Use Codes include: 016, 020, 023, 024, 026, 028, 029, 031, 060, 061, 062, 063, 064, 065, 067, and 068.

**"Special Tax"** means the special tax to be levied in each Fiscal Year on each Assessor's Parcel of Taxable Property within CFD No. 2016-1 to fund the Special Tax Requirement.

**"Special Tax Requirement "** means that amount required in any Fiscal Year for CFD No. 2016-1 to: (i) pay debt service on all Outstanding Bonds which is due in the calendar year that commences in such Fiscal Year; (ii) pay periodic costs on the CFD No. 2016-1 Bonds, including but not limited to, rebate payments on the CFD No. 2016-1 Bonds; (iii) pay Administrative Expenses; (iv) pay any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) pay directly for acquisition or construction of CFD No. 2016-1 facilities eligible to be funded by CFD No. 2016-1 under the Act; (vi) pay for reasonably anticipated Special Tax delinquencies based on the delinquency rate for the Special Tax levy in the previous Fiscal Year; (vii) pay for the accumulation of funds reasonably required for future debt service; (viii) pay lease payments for existing or future facilities; (ix) pay costs associated with the release of funds from an escrow account; less (x) a credit for funds available, if any, to reduce the annual Special Tax levy, as determined by the CFD Administrator.

**"State"** means the State of California.

**"Taxable Property"** means all of the Assessor's Parcels within the boundaries of CFD No. 2016-1 which are not exempt from the Special Tax pursuant to law or Section E below.

**"Taxable Public Property"** means all Assessor's Parcels of Public Property that are not exempt pursuant to Section E below.

**"Trustee"** means the trustee or fiscal agent under the Indenture.

**"Undeveloped Property"** means, for each Fiscal Year, all Taxable Property not classified as Developed Property or Taxable Public Property. Typical County Use Codes include: 010, 011, 015, 040, 050, 051, 052, 053, 054, 055, 056, 057, 058, 059, 05A, 05B, 05C, 05D, 05E, 05F, 05G, 05H, 090, 091, 092, 093, 110, 115, 116, 300, 301, 500, 501, 505, 510, 511, 515, 520, 521, 525, 530, 531, 535, 540, 541, and 545.

**B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, all Assessor's Parcels of Taxable Property within CFD No. 2016-1 shall be classified as Developed Property, Taxable Public Property, or Undeveloped Property, and all Assessor's Parcels of Developed Property and Taxable Public Property shall be assigned to a Property Type in accordance with Table 1 below and shall be subject to Special Taxes in accordance with the rate and method of apportionment determined pursuant to Sections C and D below.

**C. MAXIMUM SPECIAL TAX**

a. Developed Property and Taxable Public Property

(1). Maximum Special Tax

The Maximum Special Tax that may be levied in any Fiscal Year for each Assessor's Parcel is shown in Table 1.

**TABLE 1**

**Maximum Special Tax for Developed Property  
in CFD No. 2016-1 in any Fiscal Year**

Property Type	Per	Maximum Special Tax
Single Family Residential	Unit	\$49.50
Multi Family Residential	Unit	49.50
Agricultural	Parcel	86.00
Commercial	Parcel	86.00
Recreational	Parcel	86.00

(2). Multiple Property Types

In some instances, an Assessor's Parcel of Developed Property may contain more than one property type/use. The Maximum Special Tax levied on an Assessor's Parcel shall be the sum of the Maximum Special Tax for all property uses located on that Assessor's Parcel.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

Commencing with Fiscal Year 2016/17 and for each following Fiscal Year, the Board or its designee shall determine the Special Tax Requirement and shall levy the Special Tax until the total Special Tax levy equals the Special Tax Requirement. The Special Tax shall be levied each Fiscal Year as follows:

**Step 1:** The Special Tax shall be levied on each Assessor's Parcel of Developed Property, Proportionately, up to 100% of the Maximum Special Tax to satisfy the Special Tax Requirement.

Notwithstanding the above the Board may, in any Fiscal year, levy Proportionately less than 100% of the Maximum Special Tax in step one (above), when (i) the Board is no longer required to levy the Special Tax at 100% in order to meet the Special Tax Requirement, and (ii) all authorized CFD No. 2016-1 Bonds have already been issued or the Board has covenanted that it will not issue any additional CFD No. 2016-1 Bonds (except refunding Bonds) to be supported by the Special Tax.

Further, notwithstanding the above, under no circumstances will the Special Tax levied against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued be increased by more than ten percent as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 2016-1.

**E. EXEMPTIONS**

No Special Tax shall be levied on Public Property and Undeveloped Property. However, should an Assessor's Parcel no longer be classified as Public Property or Undeveloped Property its tax-exempt status will be revoked. In the case of Public Property and pursuant to Section 53317.3 of the Act, if property not otherwise exempt from the Special Tax levied pursuant to this chapter is acquired by a public entity through a negotiated transaction, or by gift or devise, the special tax shall, notwithstanding Section 53340, continue to be levied on the property acquired and shall be enforceable against the public entity that acquired the property. However, the public agency that acquires the property may prepay and satisfy the obligation to pay the tax pursuant to Section H below.

Taxable Public Property shall be subject to the levy of the Special Tax, assigned to a Property Type in accordance with the use of the property, and shall be taxed Proportionately as part of the first step in Section D above, at up to 100% of the applicable Maximum Special Tax.

**F. APPEALS AND INTERPRETATIONS**

Any property owner may file a written appeal of the Special Tax with the CFD Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than the June 30<sup>th</sup> of the Fiscal Year in which the Special Tax is due and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the CFD Administrator's decision relative to the appeal, the owner may then file a written appeal with the Board whose subsequent decision shall be final and binding on all interested parties. If the decision of the CFD Administrator or subsequent decision by the Board requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Tax levy (ies).

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

**G. MANNER OF COLLECTION**

The Special Tax will be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 2016-1 may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

**H. PREPAYMENT OF SPECIAL TAX**

The following definition applies to this Section H:

**"CFD Public Facilities"** means either \$78,100,000 in 2016 dollars, which shall increase by the Construction Inflation Index on July 1, 2017, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide the public facilities to be provided by CFD No. 2016-1 under the authorized bonding program for CFD No. 2016-1, or (ii) shall be determined by the Board concurrently with a covenant that it will not issue any more CFD No. 2016-1 Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment as described in Section D.

**"Construction Fund"** means an account specifically identified in the Indenture to hold funds which are currently available for expenditure to acquire or construct public facilities eligible to be funded by CFD No. 2016-1 under the Act.

**"Construction Inflation Index"** means the annual percentage change in the April to April Engineering News-Record Building Cost Index for San Francisco, measured as of the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the April to April Engineering News-Record Building Cost Index for San Francisco.

**"Future Facilities Costs"** means the CFD Public Facilities minus (i) public facility costs previously paid from the Construction Fund, (ii) moneys currently on deposit in the Construction Fund, and (iii) moneys currently on deposit in an escrow fund that are expected to be available to finance facilities costs.

**"Outstanding Bonds"** means all Previously Issued Bonds which are deemed to be outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

**"Previously Issued Bonds"** means all CFD No. 2016-1 Bonds that have been issued by CFD No. 2016-1 prior to the date of prepayment.

**1. Prepayment in Full**

The obligation of an Assessor's Parcel to pay the Special Tax may be prepaid and permanently satisfied as described herein; provided that a prepayment may be made after at least one series of CFD No. 2016-1 Bonds has been issued and only for Assessor's Parcels of Developed Property or Undeveloped Property for which a Final Subdivision has been recorded prior to January 1 of the prior Fiscal Year, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount of such Assessor's Parcel. The CFD Administrator may charge a fee for providing this service. Prepayment in any six month period must be made not less than 45 days prior to the next occurring date that notice of redemption of CFD No. 2016-1 Bonds from the proceeds of such prepayment may be given to the Trustee pursuant to the Indenture.

The Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
<u>less</u>	<u>Reserve Fund Credit</u>
Total: equals	Prepayment Amount

As of the proposed date of prepayment, the Special Tax Prepayment Amount (defined below) shall be calculated by the CFD Administrator as follows:

**Paragraph No.:**

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.

2. For Assessor's Parcels of Developed Property, compute the Maximum Special Tax applicable for the Assessor's Parcel to be prepaid.
3. Divide the Maximum Special Tax computed pursuant to paragraph 2 by the total estimated Maximum Special Tax for CFD No. 2016-1 based on the Developed Property Special Tax which could be charged in the current Fiscal Year, excluding any Assessor's Parcels which have been prepaid, and
4. Multiply the quotient computed pursuant to paragraph 3 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (e.g., the redemption price-100%), if any, on the Outstanding Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the earliest redemption date for the Outstanding Bonds.
9. Determine the Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Add the amounts computed pursuant to paragraphs 8 and 9 to determine the "Defeasance Amount".
11. Verify the administrative fees and expenses of CFD No. 2016-1, including the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No.2016-1 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
12. If reserve funds for the Outstanding Bonds, if any, are at or above 100% of the reserve requirement (as defined in the Indenture) on the prepayment date, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the "Reserve Fund Credit"). No Reserve Fund Credit shall be granted if reserve funds are below 100% of the reserve requirement on the prepayment date or the redemption date.
13. The Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 10 and 11, less the amount computed pursuant to paragraph 12 (the "Prepayment Amount").
14. From the Prepayment Amount, the amounts computed pursuant to paragraphs 4, 5, 10 and 12 shall be deposited into the appropriate fund as established under the Indenture and be used to retire Outstanding Bonds or make debt service payments. The amount computed pursuant to paragraph 7 shall be deposited into the Construction Fund. The amount computed pursuant to paragraph 11 shall be retained by CFD No. 2016-1.

The Special Tax Prepayment Amount may be sufficient to redeem other than a \$5,000 increment of CFD No. 2016-1 Bonds. In such cases, the increment above \$5,000 or integral multiple thereof will be retained in the appropriate fund established under the Indenture to be used with the next prepayment of CFD No. 2016-1 Bonds or to make debt service payments.

As a result of the payment of the current Fiscal Year's Special Tax levy as determined under paragraph 9 (above), the CFD Administrator shall remove the current Fiscal Year's Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Special Tax and the obligation of such Assessor's Parcel to pay the Special Tax shall cease.

Notwithstanding the foregoing, no Special Tax prepayment shall be allowed unless the amount of Maximum Special Tax that may be levied on Taxable Property within CFD No. 2016-1 both prior to and after the proposed prepayment is at least 1.1 times the maximum annual debt service on all Outstanding CFD No. 2016-1 Bonds.

## **2. Prepayment in Part**

The Special Tax may be partially prepaid, provided that a partial prepayment may be made after at least one series of CFD No. 2016-1 Bonds has been issued and only for Assessor's Parcels of Developed Property, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of partial prepayment. The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated by the CFD Administrator according to the following formula:

$$PP = P_E \times F.$$

These terms have the following meaning:

PP = the partial prepayment

$P_E$  = the Special Tax Prepayment Amount calculated according to Section H.1

F = the percentage by which the owner of the Assessor's Parcel(s) is partially prepaying the Special Tax.

The Special Tax partial prepayment amount must be sufficient to redeem at least a \$5,000 increment of Bonds.

The owner of any Assessor's Parcel who desires such prepayment shall notify the CFD Administrator of such owner's intent to partially prepay the Special Tax and the percentage by which the Special Tax shall be prepaid. The CFD Administrator shall provide the owner with a statement of the amount required for the partial prepayment of the Special Tax for an Assessor's Parcel within thirty (30) days of the request and may charge a fee for providing this service. With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute the prepayment funds remitted according to Section H.1, and (ii) indicate in the records of CFD No. 2016-1 that there has been a partial prepayment of the Special Tax and that a portion of the Special Tax with respect to such Assessor's Parcel, equal to the outstanding percentage (1.00 - F) of the remaining Maximum Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D.

### **I. TERM OF SPECIAL TAX**

The Special Tax shall be levied for a period not to exceed 30 years commencing with Fiscal Year 2016/17.

## ATTACHMENT 4

### Resolution Determining Necessity to Incur Bonded and Other Indebtedness

Required by law for a Special Tax election. Among various representations, the resolution:

- Deems it necessary to incur debt
- Sets the maximum amount of debt at \$67,000,000
- Requires that the matter of indebtedness be subject to voter approval

RESOLUTION NO. \_\_\_\_\_

RESOLUTION DETERMINING NECESSITY TO INCUR BONDED AND OTHER INDEBTEDNESS

SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
Community Facilities District No. 2016-1

**WHEREAS**, on December 17, 2015, this Board (the "Board") of the Santa Cruz Libraries Facilities Financing Authority (the "Authority") adopted a resolution entitled "Resolution of Intention to Establish a Community Facilities District" (the "Resolution of Intention"), stating its intention to form the "Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1" (the "CFD"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

**WHEREAS**, on December 17, 2015, this Board also adopted a resolution entitled "Resolution of Intention to Incur Bonded and Other Indebtedness" (the "Resolution of Intention to Incur Indebtedness") stating its intention to incur bonded indebtedness and other debt (as defined in the Act) within the boundaries of the CFD for the purpose of financing the costs of certain facilities specified in the Resolution of Intention;

**WHEREAS**, this Board has held a noticed public hearing as required by the Act about the determination to proceed with the formation of the CFD, the provision of certain public facilities by the CFD and the rate and method of apportionment of the special tax to be levied within the CFD to pay the cost of the facilities, the principal and interest on the proposed bonded indebtedness and other debt in the CFD and the administrative costs of the Authority relative to the CFD;

**WHEREAS**, subsequent to the public hearing, this Board adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation");

**WHEREAS**, this Board has also held a noticed public hearing as required by the Act relative to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness; and

**WHEREAS**, no written protests with respect to the matters material to the questions set forth in the Resolution of Intention to Incur Indebtedness have been filed with the Secretary of the Board.

**NOW, THEREFORE, IT IS ORDERED**, by the Board of the Santa Cruz Libraries Facilities Financing Authority, as follows:

- 1. Recitals.** The foregoing recitals are true and correct.
- 2. Necessity.** This Board deems it necessary to incur bonded indebtedness and other debt in the maximum aggregate principal amount of \$67,000,000 within the boundaries of the CFD for the purpose of financing the costs of all or a portion of the facilities defined in the Resolution of Formation (the "Facilities"), including, but not limited to, the costs of issuing and



selling bonds and incurring debt to finance all or a portion of the Facilities and the costs of the Authority in establishing and administering the CFD.

**3. Entire CFD Liable.** The whole of the CFD shall pay for the bonded indebtedness and other debt through the levy of the special tax. The tax is to be apportioned in accordance with the formula set forth in Exhibit "B" to the Resolution of Formation.

**4. Bonds and Other Debt.** Bonds and other debt in the maximum amount of \$67,000,000 are hereby authorized subject to voter approval. The bonds and other debt may be issued in one or more series and mature and bear interest at such rate or rates, payable semiannually or in such other manner, all as this Board or its designee shall determine, at the time or times of sale of such bonds or the incurrence of such other debt; provided, however, that the interest rate or rates shall not to exceed the maximum interest rate permitted by applicable law at the time of sale of each series of the bonds or the incurrence of such other debt, and each series of the bonds or other debt shall have a maximum term not to exceed 30 years from its respective date of issuance.

**5. Election.** The proposition of incurring the bonded indebtedness and other debt herein authorized shall be submitted to the qualified electors of the CFD and shall be consolidated with elections on the proposition of levying special taxes within the CFD and the establishment of an appropriations limit for the CFD pursuant to Section 53353.5 of the Act. The time, place and further particulars and conditions of such election shall be as specified by separate resolution of this Board.

**6. Effective Date.** This Resolution shall take effect upon its adoption.

\*\*\*\*\*

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

- AYES:
- NOES:
- ABSENT:
- ABSTAINING:

the foregoing resolution is hereby adopted on February 4, 2016.

\_\_\_\_\_  
Board Chair

ATTEST:

\_\_\_\_\_  
Secretary

## ATTACHMENT 5

### Resolution Calling Special Election

Required by law when setting an election to incur debt. In addition to various representations this resolution:

- Approves the Ballot language
- Sets forth accountability provisions

RESOLUTION NO. \_\_\_\_\_

RESOLUTION CALLING SPECIAL ELECTION

SANTA CRUZ LIBRARIES FACILITIES FINANCING AUTHORITY  
Community Facilities District No. 2016-1

**WHEREAS**, on February 4, 2016, this Board (the "Board") of the Santa Cruz Libraries Facilities Financing Authority (the "Authority") adopted a resolution entitled "Resolution of Formation of Community Facilities District" (the "Resolution of Formation"), ordering the formation of the "Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1" (the "CFD"), authorizing the levy of a special tax on property within the CFD and preliminarily establishing an appropriations limit for the CFD, all pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act"); and

**WHEREAS**, this Board has also adopted a resolution entitled "Resolution Determining the Necessity to Incur Bonded and Other Indebtedness" (the "Resolution Determining Necessity"), determining the necessity to incur bonded indebtedness and other debt (as defined in the Act) in the maximum aggregate principal amount of \$67,000,000 upon the security of the special tax to be levied within the CFD pursuant to the Act; and

**WHEREAS**, under the Resolution of Formation and the Resolution Determining Necessity, the propositions of the levy of the special tax, the establishment of the appropriations limit and the incurring of the bonded indebtedness or other debt (as defined in the Act) shall be submitted to the qualified electors of the CFD as required by the provisions of the Act.

**NOW, THEREFORE, IT IS ORDERED**, by the Board of the Santa Cruz Libraries Facilities Financing Authority, as follows:

**1. Issues Submitted.** Pursuant to Sections 53326, 53351 and 53325.7 of the Act, the following issues shall be submitted to the qualified electors (as defined below) of the CFD at an election called therefor as provided below: (i) levy of the special tax, (ii) incurring of bonded indebtedness or other debt and (iii) establishment of the appropriations limit.

**2. Voter Approval.** Under the Act, the propositions described above in section 1 shall be submitted to the voters of the CFD at an election called therefor as hereinafter provided. The ballot measures to be voted upon by the voters shall be the following:

**BALLOT MEASURE:** To modernize, upgrade and repair local libraries in Santa Cruz, Aptos, Live Oak, Scotts Valley, Boulder Creek, Capitola, Felton and La Selva Beach -- replace failing roofs, outdated bathrooms, electrical

systems/ structurally damaged facilities; support growing use by children, seniors, veterans and others; expand access to modern technology; and construct/ expand facilities where necessary; shall Santa Cruz Libraries Facilities Financing Authority issue \$67,000,000 in bonds for Santa Cruz Libraries Facilities Financing Authority Community Facilities District No. 2016-1; levy a special tax annually on parcels within the Community Facilities District; establish an initial appropriations limit; and assure mandatory accountability?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

**3. Electors Determined.** This Board hereby finds that more than 12 persons have been registered to vote within the CFD for each of the 90 days preceding the close of the hearing heretofore conducted and concluded by this Board for the purposes of these formation proceedings. Accordingly, and pursuant to the Act, this Board finds that for purposes of these proceedings the qualified electors are the registered voters within the CFD and that the vote shall be by said registered voters.

**4. Election; Consolidation.** This Board hereby calls a special election to consider the issues described in Section 2 above, which shall be held on June 7, 2016 (the "Election Day"), during which the polls shall be open between the hours of 7:00 a.m. and 8:00 p.m. The official of the County responsible for the conduct of elections (the "Election Official") is hereby designated as the official to conduct said election. The Board of Supervisors of the County and the Election Official are hereby requested to provide such services as may be necessary to properly and lawfully hold and conduct the special election pursuant to the provisions hereof and applicable provisions of the California Elections Code, including coordination with all appropriate election officials in the County, and the consolidation of said special election with other elections being held on the Election Day.

**5. Actions Authorized.** Pursuant to section 53326 of the Act, and within three business days of the adoption of the Resolution of Formation, but in no event later than the date specified by the Election Official for receipt, the Secretary of the Board shall cause to be provided to the Election Official a certified copy of the Resolution of Formation, the Resolution Determining Necessity, and this Resolution Calling Special Election, together with a certified copy of the map of the boundaries of the CFD, as filed in the Office of the Recorder of the County. The Secretary of the Board is hereby authorized and directed to enter into an agreement with the Election Official for the services of such official and to provide for the reimbursement by the Authority of the costs of the Election Official in conducting the election. The Secretary of the Board and all the members of the Board and officers of the Authority, and their designees, are hereby authorized and directed to execute and deliver any documents and to perform all acts necessary to place the measure on the ballot including making any revisions, correction or alternations to the language of the ballot measure to comply with requirements of law and Election Official and to ensure that the applicable requirements of the Elections Code are met, including without limitation the preparation and provision to the voters of all documents and instructions required by and specified in the Elections Code.

**6. Accountability.** Under Section 50075.1 of the Government Code, the following accountability provisions shall apply to the special taxes:

(a) the Facilities and the incidental costs thereof, all as defined in the Resolution of Formation, shall constitute the specific single purpose;

(b) the proceeds shall be applied only to the specific purposes identified in (a) above;

(c) there shall be created one or more special accounts or funds into which the proceeds shall be deposited; and

(d) there shall be caused to be prepared an annual report if required by Section 50075.3 of the Government Code.

**7. Effective Date.** This resolution shall be effective upon its adoption by the Board.

\*\*\*\*\*

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAINING:

the foregoing resolution is hereby adopted on February 4, 2016.

\_\_\_\_\_  
Board Chair

ATTEST:

\_\_\_\_\_  
Secretary



AGENDA: February 4, 2016  
DATE: January 28, 2016  
TO: Board of Directors  
FROM: Rich Hill, Interim Executive Director  
SUBJECT: Item 7.C.—Preparation of information mailer/fact sheet by TBWB in an amount not to exceed of \$37,000

**RECOMMENDATION**

Authorize the Interim Executive Director to direct the firm of TBWB to prepare an information mailer/fact sheet in an amount not to exceed \$37,000; and direct staff to prepare a budget amendment to reflect current and future estimated costs for a program to develop, bring to ballot and implement a special tax for library facilities, include these TBWB costs under current consideration.

**BACKGROUND**

Santa Cruz Libraries JPA approved a contract with TBWB to provide certain services related to a possible ballot measure for a special tax for library facilities. These services include: 1) prepare feasibility assessment; 2) develop ballot measure language; and, 3) prepare an information mailer/fact sheet to be delivered to eligible voters in this matter. The first two of these services have been completed or are in the process of becoming complete.

The estimated cost for writing, designing and printing this mailer for an estimated 75,000 household was \$16,957. This would be an 11x17 or equivalent 1 or 2 fold 80# matte book. Postage costs would be estimated nearer to the time the mailing would occur. Further, these costs including postage are to be paid in advance.

This process of contract approval was consistent with several other contracts that have been approved and relate to this possible special tax measure, as well as other related expenditures. At the current time the Library JPA does not have a program or a project in the budget funding these activities.

**DISCUSSION**

This matter has been placed on the LFFA agenda to make clear that this activity is solely related to the special tax measure, and to make it easier and clearer that these administrative expenses should be reimbursed through bond proceeds, should the measure be successful.

TBWB is now asking for the authority to prepare the mailer. They have expressed an interest in preparing publishing and distributing this mailer early in February.

Finally, the Libraries JPA staff have expressed an interest in budgeting for these current, as well as anticipated expenditures. To that end a program budget reflecting these costs would be appropriate for the JPA Board to consider and approve. Should the bond measure be successful, this program budget would become part of an LFFA budget.

Prepared and approved by:  
Richard Hill, Interim Executive Director.